GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:6963
ANSWERED ON:11.05.2000
CONVERSION OF RAILWAYS INTO CORPORATION
MAHBOOB ZAHEDI

Will the Minister of RAILWAYS be pleased to state:

(a) whether the Confederation of Indian Industries (CII) has suggested for conversion of Indian Railways into a Corporation;

(b) whether the CII has also suggested to increase the Passenger fares as a first step towards commercialisatin of Railway services and to bring a parity between passenger fares and freight charges; and

(c) if so, the steps contemplated by the Government in this direction?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI DIGVIJAY SINGH)

(a) to (c): A Statement is attached.

STATEMENTREFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHAUNSTARRED QUESTION NO.6963 ASKED E
SHRI MAHBOOB ZAHEDI TO BE ANSWERED ON 11.05.2000 REGARDING CONVERSION OF RAILWAYS INTO CORPORA

(a): No, Sir.

(b) to (c): Confederation of Indian Industry (CII)had organsied a National Conference on `Railway Budged 2000-01 pre- budget proposals` on 14.1.2000 in Delhi. The background paper for the conference contained suggestions for rationalising rates and fares, and reversing the trend of cross- subsidisation of passenger fares with freight. As a Government organsiation, Indian Railways has a responsibility of fulfilling certain Public Service Obligations such as carrying passengersand certain commodities below cost and maintaining services on difficult inaccessible, uneconomical, unviable routes. As a commercial enterprise, Indian Railways hasalso to earn enough to ensure its viability. A regular machinery exists within the Ministry of Railways to look into allthese aspects before pricing the services.